



June 11, 2007

Winston Hickox, Chair
CAIEPA Air Resources Board
AB32 Market Advisory Committee (MAC)
California Air Resources Board
1001 I Street, 15th Floor
Sacramento, CA 95818

Via e-mail: AAltevoigt@calepa.ca.gov

Re: Comments on the Market Advisory Committee Draft Report

Dear Mr. Hickox (Winston),

I am writing as the Western Regional Field Director of the Apollo Alliance to encourage the AB32 Market Advisory Committee to incorporate broad economic principles in its recommendations for designing a greenhouse gas system for California. In particular, the CA Apollo Alliance recommends developing greenhouse gas emissions policies that create high quality jobs in California.

The Apollo Alliance is a coalition of labor unions, environmentalists, community-based organizations and businesses. Our goal is to advance renewable energy and energy efficiency, and drive investments into modern energy technology and public infrastructure that will create high quality jobs, revitalize underserved communities, and reduce dependence on foreign oil.

Members of the California Apollo Alliance Steering Committee include Sharp Solar; Community Fuels, a biodiesel company; the California Labor Federation; the California League of Conservation Voters; the Sierra Club; the Ella Baker Center for Human Rights; the International Brotherhood of Electrical Workers (IBEW); AGENDA, a social justice organization, and the State Building and Construction Trades Council of California.

Assembly Bill 32 Implementation

The California Apollo places a high priority on seeing that AB32 is implemented in a way that promotes economic development and job creation while supporting environmental justice by reducing environmental impacts on low-income communities. We believe these goals can be achieved through a well thought-out mix of mechanisms aimed at the principal economic sectors responsible for greenhouse gas emissions and climate change.

These sectors include transportation, electricity production and use, manufacturing, urban land use, building design, forestation and agriculture. The California Apollo Alliance seeks creative solutions for each of these sectors that will spur innovation and leads to the development and deployment of new technologies and high quality jobs in California.

We recommend that decisions regarding implementation mechanisms be guided by the following criteria:

1. Will the mechanism promote increased economic activity in California?
2. Will the mechanism result in the creation of good-paying jobs with long-term career growth opportunities?
3. Will the economic benefits of the policy bring broadly distributed economic benefits, including rural and inner city communities?
4. Will the mechanism also result in the reduction of other environmental insults such as urban air pollution, water pollution and toxic waste?
5. Can the results of the policy be effectively measured?
6. How will the mechanism result in the development of new technologies?
7. Will the policies result in improved delivery of necessary public services like education and health care?
8. Will the policies have a positive impact on investment in public infrastructure?

AB32 is much more likely to produce real reductions in greenhouse gas emissions, and more likely to serve as a model for the rest of the United States, if it is implemented in a way that spurs economic development rather than simply being unpleasant medicine we must take.

Allowance Distribution

In Chapter 6 under, "Allowance Distribution," the Market Advisory Committee recommends that the state distribute allowances in a manner that "mitigates economic dislocation caused by competition from firms in uncapped jurisdictions" and "provides transition assistance to displaced workers." In addition to these principles, which we support, the CA Apollo Alliance recommends that *California develop affirmative greenhouse gas emissions policies that will create high quality jobs in California and help retain clean technology businesses in California.*

Assembly Bill 32 has the potential to attract millions of dollars of investments into California to further advanced technologies that will reduce greenhouse gas emissions. Economic development must bring broadly distributed economic benefits that extend to relevant workforces.

Key Attributes of a Program

Under Section 8.2, the Market Advisory Committee places a high priority on promoting emissions reductions “where they can be achieved at the lowest cost.” The CA Apollo Alliance urges the Committee to adopt a *best practices* model and uphold not only environmental and community standards, but also assure integrity to workers by not driving down costs through low wages and benefits in an effort to achieve cost-effectiveness.

Coordination with ETAAC

CA Apollo Alliance sent a similar comment letter to the Economic & Technology Advancement Committee on May 23rd, which was well received by Committee members. There is interest on the Committee to develop a working group on policy issues, including job development. We recommend that MAC coordinate efforts with ETAAC on this front.

The California Apollo Alliance would be pleased to serve as a resource and work with the Market Advisory Committee in the areas outlined above. Please feel free to contact me at din@apolloalliance.org and (510) 336-3311 for any reason.

Thank you very much for your consideration.

Sincerely,



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cc: Dr. Lawrence Goulder, Vice Chair
MAC Members